

ECONOMY

State lawmakers are facing a budget deficit of about \$2.9 billion, based on revenue and appropriations projections.

The drop in the city's gambling revenues, at first glance, tracks historical trends: Americans cut back on recreational travel and gambling during a recession. There are some signs that gambling revenues, which are down to 2004 levels, have at least stabilized. After months of precipitous decline, revenues increased 3 percent in the first quarter of 2010, but then dropped 5 percent in the second quarter, according to the Center for Gaming Research.

Gambling by Nevadans — itself a steady and critical stream of revenue — has also fallen off as a result of high unemployment, and analysts see no obvious way to turn that around anytime soon.

The downturn in gambling is just one big part of the economic malaise. Nevada is paying a price for an exuberant and often speculative run of commercial and residential construction that has left the market glutted.

The Future?

As a growing Mecca for retirees, Las Vegas could be a home for hospital and health-related service industries and because of Nevada's vast open spaces; it could be home to disaster-mitigation companies, complimentary services for homeland security, and information and communications technology.

The state's climate is conducive to renewable and alternative energy clusters.